

**MINUTES OF THE
BUDGET COMMITTEE**

TUESDAY, SEPTEMBER 25, 2007

At a meeting of the **Budget Committee**, held Tuesday, September 25, 2007, in the Board Room, on the 9th Floor of the Administration Building, Mount Clemens, the following members were present:

Brown-Chair, Brdak, Bruley, Camphous-Peterson, Crouchman, DeSaele, DiMaria, Doherty, Drolet, Duzyj, D. Flynn, J. Flynn, Gielegghem, Haggerty, Lund, Mijac, Rengert, Roberts, Rocca, Sauger, Slinde, Switalski, Szczepanski, Tocco and Vosburg.

Absent and excused was Torrice (death in the family).

There being a quorum of the committee present, Chair Brown called the meeting to order at 9:11 a.m.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

AGENDA

Chair Brown requested a resolution for the Washington Lions Club on their 50th Anniversary. He added this as item #18A.

MOTION

A motion was made by Camphous-Peterson, supported by Sauger, to adopt the agenda, as amended. **The Motion Carried.**

MINUTES

MOTION

A motion was made by Slinde, supported by Camphous-Peterson, to approve the August 15, 2007 minutes of this committee, as written. **The Motion Carried.**

ADOPT 2006 MACOMB COUNTY COMPREHENSIVE ANNUAL FINANCIAL REPORT

The following was distributed: A one-page management letter dated September 17, 2007 and an 18-page spiral binder, all of which was prepared by PricewaterhouseCoopers.

Mr. Michael Davidson from PricewaterhouseCoopers referred to the 18-page spiral binder

and gave a verbal presentation. Key topics covered included: Scope of Services and Results of Audit, Required Communications, and Current Developments.

After the presentation, several questions were directed to Mr. Davidson and Mr. Diegel.

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY DUZYJ, SUPPORTED BY CAMPHOUS-PETERSON, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS ADOPT THE 2006 MACOMB COUNTY COMPREHENSIVE ANNUAL FINANCIAL REPORT. **THE MOTION CARRIED.**

AUTHORIZE CHAIRMAN TO SIGN AGREEMENT TO BECOME A MEMBER OF THE KAREGNONDI REGIONAL WATER PLANNING GROUP AND TO DESIGNATE MACOMB COUNTY PUBLIC WORKS COMMISSIONER AS MACOMB COUNTY'S REPRESENTATIVE COUNTY AGENCY

The following was distributed: 1) A substitute resolution. The appropriate action for the second part of this request is to designate Macomb County Public Works Commissioner as County Agency. 2) A three-page memorandum prepared by Mr. Joseph Colaianne, Attorney and Insurance Administrator, Oakland County Drain Commissioner's Office, that had attached to it a black and white map of the KWA Potential Service Area. 3) A colored map of the KWA Potential Service Area.

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY RENGERT, SUPPORTED BY SLINDE, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS DESIGNATE THE PUBLIC WORKS COMMISSIONER AS COUNTY AGENCY FOR THE JOINT PROJECT BETWEEN MACOMB, OAKLAND, AND GENESEE COUNTIES FOR THE REGIONAL WATER SUPPLY SYSTEM FEASIBILITY STUDY AND TO AUTHORIZE THE CHAIRMAN TO SIGN THE AGREEMENT TO BECOME A MEMBER OF THE KAREGNONDI REGIONAL WATER PLANNING GROUP.

Commissioner Bruley expressed concern that the contract review signoff sheet was not attached to the resolution sheet. He inquired when the implementation process would start. Ms. Smith addressed these concerns.

Mr. Marrocco spoke in support of Macomb County joining in this feasibility study.

Commissioner Bruley referred to the map that was distributed and to him it looks like the townships in the North are the primary beneficiaries of this. He felt it would be better to have those local communities become a part of this agreement, as opposed to the county.

Chair Brown called for a vote on the motion and **THE MOTION CARRIED WITH BRULEY**

AND ROBERTS VOTING “NO.”

APPROVE CONTRACT WITH PLANTE & MORAN – EMPLOYEE BENEFIT CONSULTING SERVICES

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY SZCZEPANSKI, SUPPORTED BY SAUGER, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS AUTHORIZE THE COUNTY TO ENTER INTO AN AGREEMENT WITH PLANTE & MORAN TO PROVIDE EMPLOYEE BENEFIT CONSULTING SERVICES AT A COST NOT TO EXCEED \$50,000. FURTHER, TO AUTHORIZE THE COUNTY TO ENGAGE ITS ACTUARY, GABRIEL ROEDER SMITH & COMPANY, TO PERFORM RELATED SERVICES AS NECESSARY TO COMPLETE THE PROPOSED PENSION BENEFIT ANALYSIS.

A **friendly amendment** by Commissioner Duzyj was accepted as follows: “TO LIMIT THE FEE TO A COST NOT TO EXCEED **\$25,000.**”

During discussion, Mr. Joseph Rankin from Plante & Moran said if they are able to coordinate with the actuary, they could have a final report in as early as 90 days.

AMENDMENT

A MOTION WAS MADE BY DOHERTY, SUPPORTED BY GIELEGHEM, TO AUTHORIZE THE CHAIRMAN OF THE BOARD TO FORM AN AD HOC COMMITTEE TO WORK WITH THE CONSULTANT AND STAFF TO MAKE SURE THE PENSION BENEFIT ANALYSIS REPORT INCLUDES WORKABLE SOLUTIONS.

Commissioner Doherty challenged the Chair. It was not supported.

Board Chair Crouchman read the Board Rule on the procedure how ad hoc committees are to be set up.

Chair Brown ruled **Commissioner Doherty’s amendment out of order.**

Chair Brown stated that the committee was back to the **main motion, as amended.**

Commissioner Gielegghem disagreed and felt an ad hoc committee could be created. He challenged the ruling of the Chair. It was not supported.

AMENDMENT

A MOTION WAS MADE BY DOHERTY, SUPPORTED BY GIELEGHEM, TO AUTHORIZE THE CHAIRMAN OF THE BOARD TO FORM A STUDY COMMITTEE TO WORK WITH

THE CONSULTANT AND STAFF TO MAKE SURE THE PENSION BENEFIT ANALYSIS REPORT INCLUDES WORKABLE SOLUTIONS.

A **friendly amendment** by Board Chair Crouchman was accepted as follows: "TO FORM A SPECIAL COMMITTEE."

A ROLL CALL VOTE WAS TAKEN ON THE **AMENDMENT** (TO FORM A SPECIAL COMMITTEE) AS FOLLOWS:

VOTING YES WERE BRDAK, BRULEY, DOHERTY, DUZYJ, DAVID FLYNN, GIELEGHEM, LUND, MIJAC, ROBERTS, ROCCA, SWITALSKI AND TOCCO. THERE WERE 12 "YES" VOTES.

VOTING NO WERE BROWN, CAMPHOUS-PETERSON, CROUCHMAN, DeSAELE, DROLET, JOAN FLYNN, HAGGERTY, RENGERT, SAUGER, SLINDE, SZCZEPANSKI AND VOSBURG. THERE WERE 12 "NO" VOTES.

THE AMENDMENT WAS DEFEATED.

Chair Brown called for a vote on the **main motion, as amended**, and **THE MOTION CARRIED WITH BRDAK, DOHERTY, DROLET, DAVID FLYNN, GIELEGHEM, LUND, MIJAC, ROBERTS, TOCCO AND VOSBURG VOTING "NO."**

AUTHORIZE TO CONTINUE AGREEMENT IN THE AMOUNT OF \$40,000 WITH MACOMB COUNTY CHILD ADVOCACY CENTER ("CARE HOUSE") (Item waived by Health Services Committee Chair)

A folder containing several pieces of information was distributed by Care House.

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY SZCZEPANSKI, SUPPORTED BY JOAN FLYNN, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS AUTHORIZE TO CONTINUE AGREEMENT IN THE AMOUNT OF \$40,000 WITH THE MACOMB COUNTY CHILD ADVOCACY CENTER ("CARE HOUSE"). FURTHER, FUNDING TO BE CONSIDERED AS PART OF THE 2008 BUDGET.

Ms. Dorie Vazquez-Nolan and Ms. Cathy Gordon, both from Care House, were present. Ms. Vazquez-Nolan spoke about how their revenues, both in grants and fundraising, have declined over the past several years.

Inquiry was made as to what was budgeted last year for this item. Mr. Diegel replied, \$25,000.

A discussion ensued with Mr. Diegel about the upcoming budget process. Mr. Diegel recalled that Commissioner Brown has asked him to develop a balanced budget for

consideration to this committee that he wants to present.

Commissioner Camphous-Peterson stated that she will be abstaining from this vote, due to a conflict of interest.

Chair Brown called for a vote on the motion and **THE MOTION CARRIED WITH CAMPHOUS-PETERSON “ABSTAINING.”**

ALLOCATE \$25,000 TO MACOMB COUNTY PREVENTION COALITION FOR DRUG FREE COMMUNITIES SUPPORT PROGRAM (Item waived by Health Services Committee Chair)

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY SZCZEPANSKI, SUPPORTED BY JOAN FLYNN, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS ALLOCATE \$25,000 TO THE MACOMB COUNTY PREVENTION COALITION AS LOCAL MATCHING FUNDS FOR THE DRUG FREE COMMUNITIES SUPPORT PROGRAM FOR FISCAL YEAR 10/01/06 THROUGH 09/30/07. FURTHER, FUNDING TO COME FROM THE CONTINGENCY ACCOUNT.

Commissioner Doherty stated that she serves as Chairman of the Warren/Center Line Prevention Coalition and her group could potentially benefit from this grant, so she will be abstaining.

Mr. Lampar reminded commissioners that this is the second time that Macomb County has received this grant and there was a one-time \$25,000 contribution from the Board that provided those resources during the first grant. This would be the one and only request that he would come to the Board and ask for \$25,000 local support of this grant.

Chair Brown called for a vote on the motion and **THE MOTION CARRIED WITH BROWN, DROLET, DUZYJ, LUND, RENGERT, SLINDE AND VOSBURG VOTING “NO” AND DOHERTY “ABSTAINING.”**

RECOMMENDATION FROM JUSTICE AND PUBLIC SAFETY COMMITTEE MEETING OF 09-11-07

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY CAMPHOUS-PETERSON, SUPPORTED BY VOSBURG, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS APPROVE THE FISCAL YEAR 2008 FRIEND OF THE COURT COOPERATIVE REIMBURSEMENT PROGRAM CONTRACT IN THE AMOUNT OF \$10,489,893, WHICH IS \$6,923,329 OR 66% STATE FUNDED AND \$3,566,564 OR 34% COUNTY FUNDED. THE COUNTY FUNDING WILL BE CONTAINED WITHIN THE 2008 BUDGET. THIS CONTRACT COVERS THE PERIOD

OF OCTOBER 1, 2007 THROUGH SEPTEMBER 30, 2008. **THE MOTION CARRIED.**

RECOMMENDATION FROM HEALTH SERVICES COMMITTEE MEETING OF 09-13-07

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY MIJAC, SUPPORTED BY CAMPHOUS-PETERSON, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS APPROVE PAYMENT OF \$25,190 TO RAY TOWNSHIP FROM THE ENVIRONMENTAL PROBLEMS: LAKE/RIVER FUND AS FINAL PAYMENT FOR DEBRIS AND OBSTRUCTION REMOVAL IN THE PRIEST DRAIN. **THE MOTION CARRIED.**

RECOMMENDATION FROM LEGISLATIVE AND ADMINISTRATIVE SERVICES COMMITTEE MEETING OF 09-13-07

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY VOSBURG, SUPPORTED BY MIJAC, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS APPROVE THE REMAINDER OF PHASE II BUILDING SECURITY SYSTEM PROJECT AT THE SHERIFF'S OFFICE IN THE AMOUNT OF \$175,000; FUNDING IS AVAILABLE IN THE SECURUS TECHNOLOGY GRANT. FURTHER, TO AMEND THE PREVIOUSLY APPROVED DETEX REPLACEMENT PORTION OF THE BUILDING SECURITY SYSTEM PROJECT SOURCE OF FUNDING TO THE SHERIFF'S CORRECTIONAL OFFICERS' TRAINING BUDGET IN THE AMOUNT OF \$165,808.45. **THE MOTION CARRIED.**

RECEIVE AND FILE UPDATE ON STATUS OF LEASE AGREEMENTS AT VerKUILEN BUILDING – LEGAL AID AND DEFENDER ASSOCIATION AND LAKESHORE LEGAL AID

MOTION

A motion was made by Camphous-Peterson, supported by DeSaele, to receive and file the update from Corporation Counsel regarding status of lease agreements at VerKuilen Building – Legal Aid and Defender Association and Lakeshore Legal Aid.

Commissioner Duzyj suggested adding a section to the lease agreement so there is an escrow account. He felt two months rent should be placed in escrow.

A discussion ensued with Mr. Krycia about the issue of Legal Aid wanting a provision in the lease that if Lakeshore moves out and the county is looking at another tenant in that space (the four offices in the back) that they get to approve that tenant. It is an unusual provision. Mr. Krycia overruled language that he countered with.

Chair Brown called for a vote on the motion and **The Motion Carried.**

AUTHORIZE A 2007 SUPPLEMENTAL RETIREMENT PAYMENT

COMMITTEE RECOMMENDATION – MOTION

~~A MOTION WAS MADE BY MIJAC, SUPPORTED BY DUZYJ, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS DENY THE 2007 SUPPLEMENTAL RETIREMENT PAYMENT.~~ (Note: At the Full Board on 09-27-07, it was noted under adoption of the agenda, that this committee recommendation should not have been forwarded to the Full Board. Therefore, it was removed from the agenda. There were no objections.)

Based on the above, the appropriate motion that was offered by Commissioner Mijac and supported by Commissioner Duzyj should read as follows:

MOTION

A motion was made by Mijac, supported by Duzyj, to deny the 2007 Supplemental Retirement Payment.

Mr. Diegel was asked to give a history of the supplemental bonus check. He noted that in 2006, the Board of Commissioners did not accept the recommendation of the Retirement Commission. The Board of Commissioners instituted certain changes, which reduced the amount paid to \$418,000 from \$590,000 in the previous year. He overviewed what the Retirement Commission recommended for this year in that the cost would be \$442,000 and the payment would be made in December.

Mr. Walter Warfield, Retiree Representative, who serves on the Retirement Commission, read sections of an article that appeared in Sunday's newspaper. His point is that this retirement system is in great shape, because of the actions of the Board of Commissioners and the Retirement Commission. This system of the 13th check goes back several years ago. He expressed concern that some retirees only receive nominal pension checks. A lot of them have utility bills coming up and they have come to count on that 13th check. He realized the 13th check has no guarantee. But, because this system for each division is over-funded, his concern is that commissioners do not compare this deficit that Mr. Diegel refers to as being a retirement system deficit, it is a health deficit. He felt to associate that with the success of the retirement system is an error that the retirees should not have to pay for.

Commissioner Doherty inquired if other counties give increases in their pensions. She wanted the Retirement Commission to look into this issue.

A roll call vote was taken on the motion to deny as follows:

Voting Yes were Brdak, Brown, Bruley, Camphous-Peterson, Crouchman, DeSaele, DiMaria, Doherty, Drolet, Duzyj, David Flynn, Joan Flynn, Gielegem, Haggerty, Lund,

Mijac, Rengert, Roberts, Rocca, Slinde, Switalski, Tocco and Vosburg. There were 23 "Yes" votes.

Commissioner Sauger "abstained."

The Motion Carried.

AWARD ANNUAL AUDIT BID FOR THE FIVE YEARS 2007 THROUGH 2011

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY VOSBURG, SUPPORTED BY HAGGERTY, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS AWARD THE BID FOR COMPREHENSIVE AUDITING SERVICES TO THE LOW BIDDER, REHMANN ROBSON, FOR THE FIVE-YEAR AUDIT PERIOD OF 2007 THROUGH 2011 FOR A TOTAL FEE NOT TO EXCEED \$511,695. **THE MOTION CARRIED.**

IMPLEMENT USER FEE STUDY

Mr. Foster noted that none of the fees shown exceed the cost. Commissioner Lund felt that was not the case with the report commissioners received last time, because there were a substantial number of them that were more. Mr. Foster said that they are going through the fees. The one's they have found so far are basically set by the state. If they do come across some, they will come back with a report.

After further discussion, commissioners requested that reference be made to the Assistant Finance Director's memorandum dated September 17, 2007 and to specify the amount of \$361,454. They asked that this language be incorporated in the motion.

The motion reads as follows:

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY CROUCHMAN, SUPPORTED BY VOSBURG, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS IMPLEMENT THE USER FEE STUDY AS RECOMMENDED BY THE CONSULTANT FIRM PUBLIC FINANCE MANAGEMENT, INC. EFFECTIVE JANUARY 1, 2008 AND AS OUTLINED IN THE ASSISTANT FINANCE DIRECTOR'S MEMORANDUM DATED SEPTEMBER 17, 2007 IN THE AMOUNT OF \$361,454.

Commissioner Joan Flynn wanted to vote on each item separately. It was not supported.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION AS FOLLOWS:

VOTING YES WERE BRDAK, BRULEY, CAMPHOUS-PETERSON, CROUCHMAN, DeSAELE, DOHERTY, DUZYJ, DAVID FLYNN, GIELEGHEM, HAGGERTY, MIJAC, RENGERT, ROBERTS, SAUGER, SLINDE, SWITALSKI AND VOSBURG. THERE WERE 17 "YES" VOTES.

VOTING NO WERE BROWN, DiMARIA, DROLET, JOAN FLYNN, LUND AND ROCCA. THERE WERE 6 "NO" VOTES.

THE MOTION CARRIED.

2007 CONTINGENCY ACCOUNT UPDATE

MOTION

A motion was made by Duzyj, supported by Vosburg, to receive and file the 2007 Contingency Account Update. **The Motion Carried.**

ADOPTION OF RESOLUTION

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY RENGERT, SUPPORTED BY CAMPHOUS-PETERSON, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS ADOPT A RESOLUTION FOR THE WASHINGTON LIONS CLUB ON THEIR 50TH ANNIVERSARY (**OFFERED BY BROWN**). **THE MOTION CARRIED.**

ADJOURNMENT

MOTION

A motion was made by Duzyj, supported by Rengert, to adjourn the meeting at 12 p.m. **The Motion Carried.**

Denise M. Jacks
Committee Reporter